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DELHI PACIFIC MINES LIMITED

Annual Report



For the Year Ended December 31st, 1963

DELHI PACIFIC MINES LIMITED

OFFICERS

S. A. PERRY - - - - - *President*
HARLOW H. WRIGHT - - - - - *Vice-President*
G. D. PATTISON - - - - - *Secretary-Treasurer*
R. D. BELL - - - - - *Assistant Secretary-Treasurer*

DIRECTORS

R. D. BELL - - - - - Toronto, Ont.
G. H. HAWKER - - - - - Port Credit, Ont.
F. C. KNIGHT - - - - - Toronto, Ont.
G. D. PATTISON - - - - - Toronto, Ont.
S. A. PERRY - - - - - Toronto, Ont.
C. H. TAYLOR - - - - - Port Credit, Ont.
HARLOW H. WRIGHT - - - - - Toronto, Ont.

AUDITORS

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Toronto, Ont.

TRANSFER AGENT AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA - Toronto, Ont.

HEAD OFFICE

Suite 405, 25 Adelaide Street West, Toronto 1, Ont.

DELHI PACIFIC MINES LIMITED

Suite 405, 25 Adelaide Street West
TORONTO 1, ONTARIO

To the Shareholders,
DELHI PACIFIC MINES LIMITED.

Your Directors submit herewith the financial statement of your Company for the fiscal year ended December 31, 1963, with Auditors' Report thereon dated February 18, 1964.

The Company directed its attention to several field programs in the Provinces of Quebec and Ontario in 1963 to investigate, examine and, in specific instances, to diamond drill promising surface outcrops. This work was carried out in areas of nearby productivity as well as in districts regarded as good prospecting ground.

In partnership with McWatters Gold Mines, Limited, your Company conducted geological and magnetometer surveys on 24 claims held under option in Ranges 3 and 4, Malartic Township, Quebec. This work together with mapping surface geology warranted a diamond drilling program in order to test gold possibilities. Eight holes totalling 4,022 feet were drilled, and while several short core lengths of interesting mineralization were intersected, final assay results proved negligible. Work terminated August 23, 1963.

No further work was done on the 58 claim group in Gaboury Township, northwestern Quebec, adjoining a copper and nickel deposit drilled by McIntyre Porcupine Mines Limited. As stated in the 1962 Annual Report, Delhi's ground had been investigated by magnetic and electromagnetic geophysical surveys which did not reveal conductive areas. Under existing conditions management was of the opinion further work should not be undertaken.

Three groups totalling 79 mining claims were acquired at widely scattered points in Quebec due to their proximity to specific situations which developed during the year. Fifteen claims known as the Holton Lake group, adjoin holdings of Merrill Island Mining Corp., in the Mistassini area of Quebec. The second group of 50 contiguous claims is situated in the south-central part of Joutel Township, Abitibi East, Quebec. The third group of 14 claims is on the common boundary of Vauquelin and Villebon Townships, Abitibi East, Quebec, adjoining ground being drilled for gold potential by Chimo Gold Mines Limited.

The Company explored by surface work, shallow diamond drilling and bulk sampling a narrow high-grade gold showing in the Clamshell Lake - Superior Junction - Sturgeon Lake area, Ontario. Drilling intersected a series of narrow quartz stringers or veins, but overall results proved inconclusive.

A 10 claim group acquired in Baby Township, Ville Marie - Belleterre area, Quebec, was stripped and trenched in the vicinity of a high-grade copper-nickel exposure. Limited diamond drilling encountered only sparse mineralization below the outcrop.

During the summer general prospecting and surface sampling were conducted on a 103 claim group in the Marshall Lake area of the Kowkash Mining Division, Ontario. Nothing of economic importance was located.

The Company's investment in Nickel Corporation of America, Canadian Manganese Mining Corporation Limited and Delmico Mines Limited remained unchanged during the year.

Submitted on behalf of the Board of Directors,

S. A. PERRY,

President.

Toronto, Ontario,
March 18, 1964.

DELHI PACIFIC

Incorporated under the laws of the Province of Ontario

Balance Sheet—

ASSETS

CURRENT ASSETS:

| | |
|------------|-----------|
| Cash | 26,693.13 |
|------------|-----------|

INVESTMENTS:

| | | |
|--|------------|--------------|
| Investments in and advances to subsidiary companies (note 1) | 413,720.93 | |
| Investments in and advances to affiliated mining companies, at net cost (note 2) | 698,614.30 | |
| Other investments, at nominal value | 2.00 | 1,112,337.23 |

| | |
|--|-----------|
| PARTICIPATION INTEREST IN OIL PROPERTIES, at cost less revenue to date | 32,169.62 |
|--|-----------|

FIXED ASSETS:

| | | |
|--|------------|------------|
| Sundry equipment, at estimated disposal value | 1,500.00 | |
| Mining claims and options, at the consideration given therefor consisting of 804,219 shares of the presently constituted capital stock valued at \$314,837.50 and \$115,100.00 cash (note 3) | 429,937.50 | 431,437.50 |

DEFERRED CHARGES:

| | | |
|--|------------|------------------------|
| Exploration and development | 398,919.75 | |
| Organization and administration expenses | 154,930.06 | 553,849.81 |
| | | <u>\$ 2,156,487.29</u> |

The accompanying notes are

AUDIT

To the Shareholders of
Delhi Pacific Mines Limited:

We have examined the balance sheet of Delhi Pacific Mines Limited as at December 31, 1963 and the results of its operations for the year ended on that date. Our examination included a general review of the accounts and such other information as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and related statements of consolidated income and cash flows as at December 31, 1963 and the results of its operations for the year ended on that date are in accordance with that of the preceding year.

Toronto, Canada,
February 18, 1964.

MINES LIMITED

the laws of Ontario

December 31, 1963

LIABILITIES

CURRENT LIABILITIES:

| | |
|------------------------|----------|
| Accounts payable | 1,984.22 |
|------------------------|----------|

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized, 3,000,000 shares, par value \$1.00 each

| | |
|--|--------------|
| Issued, 2,650,000 shares (notes 4 and 5) | 2,650,000.00 |
|--|--------------|

| | |
|---------------------------|-----------|
| CONTRIBUTED SURPLUS | 19,695.78 |
|---------------------------|-----------|

2,669,695.78

| | | |
|---------------|------------|--------------|
| DEFICIT | 515,192.71 | 2,154,503.07 |
|---------------|------------|--------------|

Approved on behalf of the Board:

S. A. PERRY, Director.

G. D. PATTISON, Director.

\$ 2,156,487.29

integral part of this statement.

' REPORT

per 31, 1963 and the statements of contributed surplus, deficit and deferred charges for the procedures and such tests of accounting records and other supporting evidence as we

ed surplus, deficit and deferred charges present fairly the financial position of the company in accordance with generally accepted accounting principles applied on a basis consistent

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

DELHI PACIFIC MINES LIMITED

Notes to Financial Statement

Year ended December 31, 1963

1. The accounts of the subsidiary companies, Nickel Corporation of America and Associated Mining Corporation, have not been consolidated as they have been inactive except for exploration and development expenditures for which funds have been advanced by the parent company. The latter company is without assets and the investment therein has consequently been written down to a nominal value of \$1.00. The investment in and advances to these subsidiaries are as follows:

NICKEL CORPORATION OF AMERICA:

| | | |
|---|------------|------------|
| Investment, 300,000 shares acquired during 1957 and 1958 for a consideration of \$190,000.00 cash expended by the parent company on the development of mining claims in the State of Oregon owned by Nickel Corporation of America, and 400,000 shares of the company's capital stock (equivalent to 100,000 of the present shares) valued at 50¢ per share | 390,000.00 | |
| Advances | 23,719.93 | 413,719.93 |

ASSOCIATED MINING CORPORATION:

| | | |
|----------------------------------|--|---------------------|
| 900,000 shares, at nominal value | | 1.00 |
| | | <u>\$413,720.93</u> |

2. The investments in and advances to affiliated mining companies consist of the following:

CANADIAN MANGANESE MINING CORPORATION LIMITED:

| | | |
|--|------------|------------|
| Investment, 925,000 shares (of which 33,750 shares are held in escrow) | 335,312.50 | |
| Advances | 7,900.00 | 343,212.50 |

DELMICO MINES LIMITED:

| | | |
|--|------------|---------------------|
| Investment, 1,291,885 shares (of which 553,847 are held in escrow) | 344,551.80 | |
| Advances | 10,850.00 | 355,401.80 |
| | | <u>\$698,614.30</u> |

At the balance sheet date, shares of Delmico were quoted at 6¢ per share and there was no bid for shares of Canadian Manganese.

3. During the year the company acquired:

- (a) A fifty percent interest in an option to purchase 24 mining claims in Malartic Township, Quebec for \$17,500.00 cash and 300,000 shares of a company to be formed, exercisable as follows:
- \$ 7,500.00 upon signing of agreement (paid).
 - \$10,000.00 at any time up to May 16, 1965.
 - 300,000 shares of a company to be formed, deliverable within six months from the payment of the aforesaid \$10,000.00.

The company's share of the above expenditures is 50%.

- (b) An option to purchase 10 claims in Baby Township, Quebec for \$100,000.00 and 400,000 shares of a company to be formed, exercisable as follows:

- \$10,000.00 upon signing of agreement (paid).
- \$10,000.00 by September 1, 1964.
- \$20,000.00 by February 1, 1965.
- \$20,000.00 by September 1, 1965.
- \$40,000.00 by June 1, 1966.
- 400,000 shares of a company to be formed, deliverable by September 1, 1966.

4. During the year capital stock was issued as follows:

| | No. of Shares and par value | Discount | Net |
|-------------------|--------------------------------|---------------------|---------------------|
| For cash | 300,000 | 220,000.00 | 80,000.00 |
| For mining claims | 300,000 | 230,000.00 | 70,000.00 |
| | <u>600,000</u> | <u>\$450,000.00</u> | <u>\$150,000.00</u> |

The discount on shares issued during the year has been applied against contributed surplus.

5. As at December 31, 1963 options were outstanding in respect of 200,000 shares of the company's capital stock, exercisable as follows:

- 100,000 shares at 35¢ per share up to March 13, 1964.
- 100,000 shares at 40¢ per share up to June 13, 1964.

DELHI PACIFIC MINES LIMITED

Statement of Deferred Charges

Year ended December 31, 1963

| | Balance at beginning of year | Expenditures during year | Balance at end of year |
|--|------------------------------------|-----------------------------|------------------------------|
| EXPLORATION AND DEVELOPMENT: | | | |
| GENERAL: | | | |
| Consulting and engineering fees | | 100.00 | |
| Equipment rental | | 138.87 | |
| Government fees, licenses and taxes | | 294.25 | |
| Miscellaneous | | 63.38 | |
| | <u>2,506.40</u> | <u>596.50</u> | <u>3,102.90</u> |
| ATHABASKA, SASKATCHEWAN | <u>87,469.68</u> | | <u>87,469.68</u> |
| BABY TOWNSHIP, QUEBEC: | | | |
| Assays | | 267.00 | |
| Consulting fees | | 1,250.00 | |
| Diamond drilling | | 3,785.60 | |
| Reports | | 350.00 | |
| Transportation | | 550.91 | |
| Wages | | 725.00 | |
| Miscellaneous | | 165.06 | |
| | | <u>7,093.57</u> | <u>7,093.57</u> |
| FORT MACKENZIE AREA, QUEBEC: | | | |
| Licenses | | 300.00 | |
| Miscellaneous | | 12.05 | |
| | <u>60,526.46</u> | <u>312.05</u> | <u>60,838.51</u> |
| GABOURY TOWNSHIP, QUEBEC: | | | |
| Government fees and licenses | | 720.38 | |
| Line cutting | | 3,465.65 | |
| Survey | | 9,499.60 | |
| | <u>599.05</u> | <u>13,685.63</u> | <u>14,284.68</u> |
| HOLTON LAKE, JOUTEL TOWNSHIP AND CHIMO AREA, QUEBEC: | | | |
| Government fees | | 250.00 | |
| Reports | | 350.00 | |
| Supplies | | 116.61 | |
| Transportation | | 109.10 | |
| Wages | | 191.25 | |
| Miscellaneous | | 2.50 | |
| | | <u>1,019.46</u> | <u>1,019.46</u> |
| MALARTIC TOWNSHIP, QUEBEC: | | | |
| Consulting fees | | 1,237.50 | |
| Diamond drilling | | 5,253.77 | |
| Engineering fees and expenses | | 1,087.50 | |
| Licenses | | 420.00 | |
| Line cutting | | 432.90 | |
| Reports | | 175.00 | |
| Survey | | 2,229.40 | |
| Transportation | | 337.04 | |
| Miscellaneous | | 178.04 | |
| | | <u>11,351.15</u> | <u>11,351.15</u> |
| Carried forward | <u>151,101.59</u> | <u>34,058.36</u> | <u>185,159.95</u> |

DELHI PACIFIC MINES LIMITED

Statement of Deferred Charges (continued)

Year ended December 31, 1963

| | Balance at beginning of year | Expenditures during year | Balance at end of year |
|---|------------------------------------|-----------------------------|------------------------------|
| EXPLORATION AND DEVELOPMENT: (Cont'd) | | | |
| Brought forward | 151,101.59 | 34,058.36 | 185,159.95 |
| MANEAST, BLIND RIVER, ONTARIO | 43,976.06 | | 43,976.06 |
| SIoux LOOKOUT, ONTARIO: | | | |
| Equipment rental | | 396.00 | |
| Line cutting | | 1,083.53 | |
| Transportation | | 280.00 | |
| Wages | | 1,185.00 | |
| | | 2,944.53 | 2,944.53 |
| TEMAGAMI, ONTARIO | 166,839.21 | | 166,839.21 |
| WILLET LAKE, ONTARIO: | | | |
| Consulting fees | | 155.00 | |
| Licenses | | 400.00 | |
| Prospecting | | 2,250.00 | |
| Miscellaneous | | 96.50 | |
| | | 2,901.50 | |
| Less Transfer to deficit | | 2,901.50 | |
| | 361,916.86 | 37,002.89 | 398,919.75 |
| ORGANIZATION AND ADMINISTRATION EXPENSES: | | | |
| Legal and audit | | 1,384.20 | |
| Stock transfer expense | | 347.91 | |
| Administration fee | | 4,800.00 | |
| Listing fees and expenses | | 837.20 | |
| Annual report | | 516.31 | |
| Government fees and taxes | | 226.31 | |
| Directors' fees | | 1,150.00 | |
| Office expenses | | 82.45 | |
| | | 9,344.38 | |
| Deduct Interest earned | | 204.74 | |
| | 145,790.42 | 9,139.64 | 154,930.06 |
| | <u>\$507,707.28</u> | <u>\$46,142.53</u> | <u>\$553,849.81</u> |

Statement of Contributed Surplus

Year ended December 31, 1963

| | |
|---|---------------------|
| Contributed surplus at beginning of year | 469,695.78 |
| DEDUCT Discount on shares issued during year (note 4) | 450,000.00 |
| CONTRIBUTED SURPLUS AT END OF YEAR | <u>\$ 19,695.78</u> |

Statement of Deficit

Year ended December 31, 1963

| | |
|------------------------------------|---------------------|
| Deficit at beginning of year | 508,231.21 |
| ADD: | |
| Mining claims abandoned | 4,060.00 |
| Expenditures thereon | 2,901.50 |
| DEFICIT AT END OF YEAR | <u>\$515,192.71</u> |